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LICENCE SUSPENSION AND DENIAL: OVERVIEW OF A NEW MECHANISM FOR CHILD SUPPORT ENFORCEMENT

Research Report

CSR-2001-1E

Child Support Team

Canada

JUS-762E

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102-03703/

Licence Suspension and Denial: Overview of a New Mechanism for Child Support Enforcement

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Presented to:
Family, Children and Youth Section
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The views expressed in this report are those of the author and do not necessarily represent the views of the Department of Justice Canada

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EXECUTIVE SUMMARY

This report examines the various licence denial and suspension programs in place across the United States and Canada that encourage compliance with child support orders. The types of licences examined for the study include drivers' licences, occupational licences[1] and passports. In the United States, such programs are based on state legislation, which authorizes states to deny or suspend licences for child support payors who are in default of making their payments. In Canada, licence denial and suspension programs have recently been implemented in nine of the 14 jurisdictions, including the federal jurisdiction, over federal licences and passports. The description of programs in the United States and Canada is intended to inform and assist future policy decisions concerning the possible implementation or enhancement of similar programs across Canada.

The study utilizes documentation collected on licence denial and suspension programs provided by New Brunswick and the Child Support Team, Department of Justice Canada. In addition, a search of the Internet was conducted in mid-1999 to obtain up-to-date state legislation on licence denial and suspension programs in the United States. This was supplemented by a report containing state-by-state details of licence restriction procedures as of January 1998, published by the Office of Child Support Enforcement in the United States.[2]

The other jurisdictions examined as part of this project (New Zealand, Australia and the United Kingdom) have not considered expanding their child support enforcement actions to include occupational or drivers' licence suspensions.

Licence Suspension in the United States

The expansion of licence denial and suspension programs in 1996 is directly linked to the passage of the *Personal Responsibility and Work Opportunity Reconciliation Act* (PRWORA) adopted by the United States federal government. The Act requires state child support agencies (CSAs) to withhold, suspend or restrict drivers' and occupational licences for persons owing support. The law also required that applicants for professional, occupational and drivers' licences must provide their social security number (SSN) on their applications. No other requirements were mandated in the federal legislation, so that, in effect, the states were permitted to implement licence suspension programs as they saw fit. Thus, the states have full discretion over how such programs are implemented, leaving specifics such as the definition of licence, criteria for initiating denial and suspension, and the delivery model (i.e. judicial versus administrative) up to the state.

In cases where states do not introduce the programs mandated by the PRWORA, the federal government has the option of imposing a financial penalty. States unwilling to implement the

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1 Occupational licences include business, professional and trade licences.

2 United States DHHS, OCSE, 1998.

licence denial programs could be deemed to be in non-compliance with the federal enforcement plan requirements, which are a condition of eligibility for federal financial assistance.

It is worth noting that many states had already established these programs well before the passage of the PRWORA in mid-1996. However, the majority (12 out of 19) focussed specifically on occupational licences. With the passage of the PRWORA, every state included drivers' licence suspension in its legislation to avoid the loss of federal financial assistance.

State Legislative Authority

As a result of the federal requirements (e.g. inclusion of social security numbers) under the PRWORA, numerous state laws were amended. The extent of amendments varied between individual states. In some states, the bulk of the requirements were set out in administrative guidelines (or procedure manuals) rather than statutes. In Minnesota, the legislature required the CSA to provide data every two years for:

- number of child support payors notified of intent to suspend a drivers' licence;
- amount collected in payments from the child support payors notified;
- number of cases paid in full and payment agreements executed;
- number of cases in which there has been notification but no payments or payment agreements;
- the number of drivers' licences suspended; and
- the cost of implementation and operation.

The Types of Occupational Licences Subject to Suspension

Following the passage of the PRWROA, all states adopted laws facilitating the suspension of drivers' licences for failure to comply with child support obligations. Of the 52 states and territories for which data were available, all adopted legislation authorizing the suspension of professional licences; 44 could suspend occupational and/or trade licences; 25 had authority to suspend business licences; and 39 were able to suspend recreational licences (e.g. fishing and hunting permits). The research found that the definition of occupational licences (i.e. those included or not) differed across states, and that in some cases occupations required a licence in one state but not in others. Unlike drivers' licences, occupational licences were not universally alike across all states and territories. Furthermore, the study found that some occupations (i.e. lawyers) were treated differently across states. Applying denial and suspensions to recreational licences was found to be difficult, given the lack of automation and because most are issued by retail outlets for a short period of time. As a result, some states have excluded recreational licences from their programs. Some states have adopted the suspension of other licences and permits, such as boat registrations, liquor licences and, in Idaho, permits to carry

concealed weapons. In Idaho, Michigan and Pennsylvania, laws permit the suspension of licences of a percent who has interfered with the visitation rights of the other parent.

Trigger Points: Arrearage Necessary before Payors are Targeted

Regardless of the criteria set for initiating the denial and/or suspension of a licence, the option is often described as a "last resort." Except for Florida, the vast majority of statues have criteria that must be met before any suspension action is taken. These criteria are typically the number of months in arrears and amount of arrears. In Florida, drivers' and occupational licence suspensions can be initiated for any delinquent child support payor, regardless of the amount owed or the month in arrears. However, for occupational licences, the state legislation requires that the Florida CSA must have "exhausted all other available remedies" before proceeding with the suspension to court. With the delays inherent in the court process, determined child support delinquents would probably be in substantial arrears before licence suspension is initiated. Kansas also did not define a specified amount of arrears before proceeding with suspension; the decision is up to the court, which may "in addition to any other remedies" order that a notice be served on the licensing party.

The threshold for triggering licence suspension procedures ranges from less than one to 12 months of arrearages, with more than 70 percent of states having established three months or less as the trigger point. One judicial process state mentions "contempt of court" as the trigger, and two other states indicate that less drastic remedies must first have been attempted before licence suspension can be initiated. Fifteen states have specified in their legislation the dollar amounts and number of months of arrears required before licence denial/suspension proceedings may begin. For example, payors in Indiana must be three months in arrears or owe more than $2,000.

Administrative and Judicial Decision Making and Procedural Safeguards

The PRWORA allows flexibility to the states in implementing licence suspension programs. States have therefore enacted either an administrative or judicial process, or a combination of both. States with an administrative program issue licence suspension notices by mail to the debtor, giving them 20 to 30 days to reply to the CSA and make payment arrangements. As mentioned above, Florida, which has a mixed administrative and judicial process, issues a notice allowing 30 days before it petitions the court for an occupational licence suspension (this does not apply to drivers' licences). In general, states with judicial processes have found that delinquent payors may be better able to stave off licence suspension by litigating successfully if they can prove "irreparable harm" to their livelihood, that the failure to pay child support is not "wilful", and that they have made a "good faith" effort to pay.

Matching Payors to Licence Holders

The majority of funding provided as part of the PRWORA initiative is aimed at improving state CSAs information systems, improvements that are scheduled to continue until 2001. The

improvements to CSAs information systems are assumed to be aimed at improving electronic communications with state motor vehicle agencies (MVAs) and other licensing bodies.

The matching of debtors with drivers' and occupational licences is dependent on social security numbers (SSN). Although all applications for such licences require an SSN, the full matching potential of the programs will be realized after an initial implementation period, when all licence applications provide an SSN at the time of renewal. Furthermore, electronic matching of delinquent payors is more likely to occur for drivers' licences than for occupational licences, because most if not all states have automated licensing systems for driving permits. Typically, the CSA sends a list of delinquent payors who meet the criteria for suspension or denial to the MVA, which then suspends the licence.

Monitoring and Evaluation: Child Support Payments Received

Reports published by the various CSAs correctly focus on payments rather than the number of denials or suspensions as a measure of success. This focus is supported by the primary objective of such programs, which is to increase voluntary compliance with the payment of child support and not to suspend licences. The study found that the amount of money collected as a result of suspension notifications is large, and that the majority of suspension notices were resolved with the establishment of a payment agreement. For example, in the state of Maryland, 58,000 notification letters sent to payors generated the collection of $40 million in response. In Texas, $12.6 million were collected in the first six months of the program. However, not all state CSAs are able to determine what proportion of money was collected as a result of the notification of licence suspension.

Overall, a number of states and the United States Office of Child Support Enforcement have emphasized the large amounts of payments received through their licensing suspension programs. Despite the general enthusiasm for this enforcement method, there is a paucity of quantitative data on the number and percentage of licencees who are in the "can pay" but "won't pay" group, and the extent to which they would be prompted to make payment arrangements if threatened with the loss of their drivers' or occupational licences. Thus extent to which the loss of a licence acts as an incentive to making regular payments by persons who are financially able to do so is not known.

Communications and Public Legal Education

Multimedia campaigns are the typical means by which the public is informed of licence restrictions. Billboards and public service announcements on radio and television are among the main methods mentioned in the documentation available.

"Warning" or "courtesy" (depending on the state) letters mailed to persons in arrears were the methods by which states informed payors about the licence restriction laws. State enforcement agencies also frequently use the Internet to inform child support payors of their licence restriction/denial legislation and the consequences.

Publicity has been identified as critical to encouraging delinquent payors to arrange payment plans. A Rhode Island official noted that the state may not have sufficiently publicized the suspension program before its implementation. If more publicity had been employed, "we may have enticed more payors to come forward to settle their accounts before the suspension process was started." It is not known whether this observation is accurate: does more intensive publicity increase the likelihood of voluntary compliance? All (or almost all) states require that delinquent payors must be informed by mail of the possibility of suspension and be given an opportunity to make payment arrangements. If such warnings are not effective, is it likely that public education efforts will have an independent effect on compliance? Perhaps the publicity helps convince the delinquent payor to comply, because the payor is then aware that the threat is a serious one.

Benefits and Drawbacks of Licence Restriction Programs in the United States

Besides encouraging debtors to pay their child support, the primary benefit of drivers' and occupational licence programs (more so of drivers' licence programs) is that they can target delinquent payors who are "self-employed" or those who work in the "underground economy." Since the programs are typically used as a "last resort," they supplement other detection and enforcement programs (e.g. "new hires" programs in various states across the U.S. provide information on newly hired employees for the detection of unemployment insurance over-payment and to locate payors who are in default of child support obligations). Although the study was unable to find strong evidence to support this claim, it assumed that an automated administrative system for a drivers' licence suspension program may be a relatively low-cost enforcement action.

As for drawbacks, individuals who receive notification and/or suspension of their driver's licence may continue to drive anyway and continue to avoid making child support payments. Likewise, not all occupations or trades require licensing and, as a result, debtors may continue to evade detection and child support payments. Some legislators have expressed concern over the constitutionality of the schemes; however, a recent Alaska Supreme Court decision upheld the program as constitutional (although the decision is not binding on other states). The use of a judicial/manual system to match licence holders with delinquent payors is said to be more costly when compared to an automated system. Administrative automated systems are less sensitive to the payors' circumstances—they do not discriminate between individuals who "can't pay" and those who "won't pay." As a final drawback, the establishment of licence suspension programs requires agreements between CSAs and other licensing bodies and agencies, which may have further cost and resource implications.

Licence Restriction in Canada

Prince Edward Island, Nova Scotia, Ontario, Manitoba, Saskatchewan, Alberta, British Columbia and Yukon have all implemented drivers' licence denial or suspension programs in recent years. There are no occupational licence denial/suspension programs in Canada presently. The federal government administers a federal licence (e.g. an aviation licence) and passport denial/ suspension program to assist the provincial and territorial Maintenance Enforcement Programs in their enforcement efforts.

Unlike in the United States, all of the programs in Canada are administrative in nature. Similarly, however, these programs have also been described as "last resort" enforcement tools. All of the above jurisdictions have legislation that permits officials to deny the issuance of new or renewal drivers' licences. Only Manitoba, Nova Scotia, Ontario, Prince Edward Island and Yukon have legislation to facilitate the suspension of existing licences of delinquent payors. Legislation in Saskatchewan and British Columbia provide specific amount of arrears owing (dollars and months) before officials can proceed with a suspension or denial. In most jurisdictions, suspension or denial may be used at any stage of the delinquency, but in practice is used only when other methods have failed. Use of the program is discretionary, not automatic.

Although no formal evaluations have been conducted on the effectiveness of the drivers' licence programs in Canada to date, anecdotal evidence from provincial and territorial officials suggests that a number of payors make payment arrangements after a notice is sent. Only a small percentage of cases actually result in licence suspension or denial.

Policy Implications

The research report concludes by highlighting several issues and research questions that should be considered by those developing policy and infrastructure when considering licence suspension/denial programs. The issues raised include the following:

- the type of "triggers" to use (the amount of arrears or number of missed payments);
- who the enforcement method targets and when to use it;
- the need for an appeal process and conditional licences;
- the costs of implementation and partnerships with licensing agencies;
- how this enforcement method fits with existing enforcement methods;
- the use of communications, such as mass media campaigns, to advertise the program; and
- the reporting and monitoring of its use and effectiveness.

1.0 INTRODUCTION

In the 1990s, a variety of new enforcement tools were developed in the United States and Canada to improve the collection of child support, among them the denial, suspension, restriction and revocation of drivers' and occupational[3] licences. The targets of licence restriction programs are support payors who have the means to pay their child support obligations, but who are unwilling to do so—the "won't pay" group, as Myers (1999) has termed them. In the United States, state legislation authorizes the suspension of state issued licences of child support payors who are late in making payments. In Canada,[4] drivers' licences have recently become subject to denial, restriction or suspension for non-payment of child support; eight of the 13 jurisdictions have implemented such programs. Others are considering the use of licence suspensions or restrictions in their enforcement strategies.

The Canadian government has also implemented a similar enforcement mechanism focusing on federal transport licences and passports. In 1997, the Canadian government enacted legislation that permits the suspension, denial and revocation of passports and certain federal transport licences, such as aviation and marine licences.

This report first examines the United States experience in restricting drivers' and occupational licences, to assist policy makers in determining the feasibility of using similar mechanisms in this country. The report then describes the main operational features of drivers' licence suspension and restriction programs in Canada, followed by a brief discussion of passport revocation.

After briefly describing in section 2 the methods used to obtain information, this report is organized as follows. Section 3 describes the licence suspension process in the United States, under the headings of the state legislative authority: the types of occupational licences subject to restriction; the threshold at which suspension proceedings are initiated for non-payment of child support; the variety of processes for licence restriction, including due process protections; temporary licences; the matching of payors to licence holders; reinstatement; monitoring and evaluation; communications activities; and the benefits and drawbacks of licence restriction programs. Section 4 reports on the licence restriction activity in Canada, and Section 5 provides a summary of the main points.

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[3] For the sake of brevity we use the term *occupational* licence to include business, professional and trade licences.

[4] The terms of reference for this report stated that the practices of other Commonwealth countries would be examined. However, the child support agencies in the United Kingdom, Australia and New Zealand have not considered expanding their child support enforcement actions to include occupational or drivers' licence suspensions.

2.0 METHOD

A review and analysis of available material on licence suspension programs from United States sources were undertaken for this report. A number of documents were obtained by the New Brunswick government; the director of the Maintenance Enforcement Program in that province wrote to about two dozen states requesting documentation on licence restriction laws and practices. Additional documentation, such as up-to-date state legislation, was retrieved from Internet searches undertaken in mid-1999. The Child Support Team, Department of Justice Canada, supplied material on drivers' licence restriction programs in this country.

A primary source of basic information on all state suspension programs in the United States is the Office of Child Support Enforcement publication that contains state-by-state details of licence restriction procedures as of January 1998 (U.S. DHHS, OCSE, 1998). Some of the contents of the OCSE report differs from other material gathered from presumably accurate sources such as the home pages of state child support enforcement agencies and lawyers, and material directly received from state agencies. This situation may result from recent amendments to state legislation and practices, or complexities in state legislation that are not clearly described in the OCSE publication, which is in a condensed tabular format. For this reason, state documentation is used wherever possible.

3.0 LICENCE SUSPENSION IN THE UNITED STATES

The intent of suspension initiatives is to improve enforcement power in cases when wage or income withholding is not possible, that is, generally when the child support payor is self-employed.[5]

The United States federal government required states to enact licence suspension legislation in the *Personal Responsibility and Work Opportunity Reconciliation Act* (PRWORA) of 1996. Child support agencies (CSAs) were required to withhold, suspend or restrict drivers', professional and occupational licences, and recreational and sporting licences of persons owing support.[6] The law also required that applicants for professional, occupational and drivers' licences must provide their social security number (SSN) on their applications. No other requirements were mandated in the federal legislation, so that, in effect, states were permitted to implement licence suspension programs as they saw fit. For example, states could define which professional, occupational and recreational licences were subject to suspension[7] and develop their own criteria to initiate the enforcement action, e.g. the number of months that a payor could be in arrears. Nor does the state CSA have to be responsible for administering the state's statutory requirements (U.S. DHHS, ACF, 1997).

If a state does not introduce supporting legislation as mandated by the PRWORA, the federal government may impose a financial penalty. The federal government could determine that the state is not in conformity with the federal enforcement plan requirements, which is a condition of eligibility for federal financial assistance (U.S. DHHS, ACF, 1997).

The federal legislation expanded on then existing state laws. Many states had already established these programs well before the passage of the PRWORA in mid-1996. Arizona and Vermont were the first states to institute a form of licence denial in 1990.

- Originally, in Arizona, at a hearing on a petition to enforce child support, the court could direct occupational licensing boards to conduct a hearing to suspend the payor's licence or certificate. Each board had to record the SSN of the licensee in order to assist in locating

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[5] For example, the Pennsylvania statute explicitly says that "when the domestic relations section has been unable to attach the income of a payor pursuant to s. 4348 (relating to attachment of income) and the payor owes support in an amount equal to or greater than three months of the monthly support obligation, the court shall issue an order directing any licensing authority to..." (*Pennsylvania Statutes*; Title 23, Domestic Relations; Part V, Support, Property and Contracts; Chapter 43, Support Matters Generally; Subchapter C, Proceedings Generally, 23 s. 4355).

[6] Licences may also be suspended if the payor has refused to comply with subpoenas or warrants relating to paternity or child support proceedings. Before the passage of technical amendments to PRWORA in 1997, the federal law addressed restrictions only on commercial drivers' licences (Myers, 1998a).

[7] In fact, most states seem to have made general provisions applying to all state-issued professional and occupational licences.

non-custodial parents.[8] This law was later rescinded and replaced with legislation relating to both occupational and drivers' licences.

- In Vermont, applicants for business, professional and trade licences were asked to "self-attest" whether they had outstanding child support payments on their applications for renewal or a new licence.[9]

These two early examples differ from more recent legislation authorizing the mandatory suspension of licences after an administrative or judicial process. All states suspend licences, as opposed to only denying them when original or renewal applications are made.

It is noteworthy that 12 of 19 states with suspension schemes before 1995 covered occupational licences and not drivers' licences (U.S. DHHS, OCSE, 1995). This situation may be related to the initial reluctance of state legislators to suspend driving privileges for fear of interfering with a payor's employment. With the passage of PRWORA, every state included the suspension of drivers' licences in its legislation, sometimes reluctantly, to avoid the loss of federal financial assistance.

3.1 State Legislative Authority[10]

A notable difference among the states is the number of statutes amended as a result of the PRWORA requirements; the number ranged from one or two to numerous statutes, as in Florida where there was one for every licensing body in the state. It is likely that some states were able to amend the practices of licensing agencies administratively, e.g., to introduce the requirement of social security numbers on licensing applications and renewals without statutory amendments, whereas others must pass legislation enabling the suspension process in each licensing agency. Indeed, a feature that differentiates the state legislation is complexity. At one extreme is the 1997 amendment to the *Utah Code Annotated* (62A-11-107), which must be the shortest enabling statute in the country:

> The office [of the support enforcement agency] has the power to pursue through court action the withholding, suspension and revocation of drivers' licences, professional and occupational licences, and recreational licences of individuals owing overdue support or

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[8] *Arizona Statutes* 12-2452, from which this information was taken, no longer exists. A 1997 publication of the Office of Inspector General, Department of Health and Human Services, stated that, at that time, Arizona authorities did not actually pursue occupational and professional licences because the state lacked authority over licensing boards. A reading of 12-517 and 12-518 suggests that this is no longer the case.

[9] The Vermont law stated that "every applicant for a licence shall sign a statement that the applicant is not under an obligation to pay child support or is in good standing with respect to, or in full compliance with, a plan to pay any and all child support payable... A licence may not be issued or renewed without such a statement" (*Vermont Statutes*, Title 15, Domestic Relations; Chapter 11, Annulment and Divorce; Subchapter 7, Child Support Enforcement).

[10] See Appendix A for the references to state laws relating to licence suspension.

> failing, after receiving appropriate notice to comply with subpoenas or orders relating to paternity or child support proceedings...

In other states, the statute was silent except on the main elements of the process, such as the amount of arrears that would trigger suspension proceedings (e.g. in South Dakota). Elsewhere, the legislation was almost as detailed as a procedures manual (e.g. in Montana and California). In the former instances, administrative rules or regulations governing the child support agency, the motor vehicle licensing agency (MVA) and the occupational boards contained the finer points of the process.

It was common pattern for state legislatures to amend statutes relating to child support and to professional, occupational and motor vehicle legislation simultaneously.

Some state laws expanded the licences subject to suspension by the state to other levels of government. Changes to the *Texas Family Code* (Chapter 232, section 232.001) in 1995 provide an illustration:

> Any licence, certificate, registration, permit, or other authorization issued by a department, commission, board, office or other agency of the state or *a political subdivision of the state*, [italics added] that is subject before expiration to suspension, revocation, forfeiture, or termination, and that a person must obtain to:
>
> a. practice or engage in particular business, occupation or profession;
>
> b. operate a motor vehicle; or
>
> c. engage in any other regulated activity including hunting, fishing, or other recreational activity for which a licence or permit is required.

The reference to a political subdivision suggests that county or municipally issued licences could also be suspended, although the *Texas Family Code* lists only state licensing agencies, 56 of them, which are subject to the statute. Maine and Massachusetts also included municipally issued licences in their definitions.[11]

In Minnesota, the state legislature required that it be provided with the following data every two years:

(1) the number of child support payors notified of intent to suspend a driver's licence;

(2) the amount collected in payments from the child support payors so notified;

(3) the number of cases paid in full and payment agreements executed;

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[11] As may also New York State: a 1997 press release notes that New York City occupational licences can be withheld (N.Y. Administration for Children's Services, February 1997).

(4) the number of cases in which there has been notification and no payments or payment agreements;

(5) the number of drivers' licences suspended; and

(6) the costs of implementation and operation of the requirements of this section.

Why these provisions were included in the statute is not known. Perhaps they were designed to ensure the cost-effectiveness of the legislation or to ensure that there would be legislative monitoring of effectiveness or because state legislators were uncertain of the efficacy of this enforcement action.

Another distinction among the state laws is the existence of protection for the licensing agencies (Myers, 1999). Colorado, New Jersey and Pennsylvania gave limited immunity to administrators who restrict licences as required by law. In addition, New Jersey and Pennsylvania included provisions that forbid insurance companies from increasing rates based on a licence suspension stemming from a child support obligation.

3.2 The Types of Occupational Licences Subject to Suspension

All states have laws enabling the suspension of drivers' licences for failure to comply with child support obligations.

Of the 52 states and territories for which data were available, 52 had legislation authorizing professional licence suspensions, 44 could suspend occupational and/or trade licences, 25 had authority to suspend business licences, and 39 were able to suspend recreational licences, such as fishing and hunting permits[12] (see Table 1). As discussed next, the differences by state in the types of occupational licences eligible for suspension may be due to terminology as much as real variations.

3.2.1 Occupational, Professional and Business Licences

The variations among the states in the occupational and professional licences subject to suspension may not be meaningful differences. Architects and dentists at times are found in the occupational rather than the professional category. Conversely, the professional category in many states includes what most people would regard as occupations, such as cosmetologists and real estate salespersons. Other differences may depend on state differences in licensing authority. For example, one state might have responsibility for regulating barbers, but another may not.

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[12] Calculated from the table found in U.S. DHHS, OCSE, 1998, and from other state information. However, another source (Myers, 1999) writes that "by the end of 1998, 49 states and the District of Columbia had laws in place to restrict drivers' and occupational licences, 50 states and the District of Columbia had similar laws applying to professional licences, and 48 states and the District of Columbia had laws restricting recreational and sporting licences."

Table 1: Professional, Occupational/Trade, Business and Recreational Licence Suspensions in the U.S.

State	Professional	Occupational	Business	Recreational
Alabama	✓	✓		✓
Alaska	✓	✓		✓
Arizona	✓	✓	✓	✓
Arkansas	✓	✓	✓	✓
California	✓	✓	✓	✓
Colorado	✓	✓	✓	✓
Connecticut	✓	✓		✓
Delaware	✓		✓	
District of Columbia	✓		✓	
Florida	✓	✓	✓	✓
Georgia	✓			✓
Hawaii	✓	✓		✓
Idaho	✓	✓	✓	✓
Illinois	✓	✓	✓	✓
Indiana	✓	✓		✓
Iowa	✓	✓	✓	✓
Kansas	✓			✓
Kentucky	✓	✓		✓
Louisiana	✓			✓
Maine	✓	✓	✓	✓
Maryland	✓			✓
Massachusetts	✓	✓	✓	✓
Michigan	✓	✓		
Minnesota	✓	✓		
Mississippi	✓	✓	✓	✓
Missouri	✓	✓	✓	✓

Table 1 (cont'd)

State	Professional	Occupational	Business	Recreational
Montana	✓	✓	✓	✓
Nebraska	✓	✓		✓
Nevada	✓	✓		✓
New Hampshire	✓			✓
New Jersey	✓	✓		✓
New Mexico	✓	✓		
New York	✓	✓	✓	✓
North Carolina	✓	✓	✓	✓
North Dakota	✓	✓		✓
Ohio	✓	✓		✓
Oklahoma	✓	✓	✓	✓
Oregon	✓	✓		
Pennsylvania	✓	✓		✓
Puerto Rico	✓	✓		
Rhode Island	✓	✓	✓	✓
South Carolina	✓	✓	✓	✓
South Dakota	✓	✓		✓
Tennessee	✓	✓		✓
Texas	✓	✓	✓	✓
Utah	✓	✓		✓
Vermont	✓	✓	✓	✓
Virginia	✓	✓	✓	✓
Washington	✓	✓		✓
West Virginia	✓	✓	✓	✓
Wisconsin	✓	✓	✓	✓
Wyoming	✓	✓		✓
Total number	**52**	**44**	**25**	**39**

Source: U.S. DHHS, OCSE, 1998, and state legislation. Note, all states have drivers' licence suspension legislation.

Only a few states (e.g. Alaska and South Dakota) identified specific occupations to be included within the purview of licence suspension.[13] The documents available do not indicate why some licences are included and others are not. More typically, the legislation simply stated that *all* state-issued licences and certificates, are subject to denial and suspension.

It may be that some states did not include "business" licences in their post-PRWORA legislation because businesses were not specified in PRWORA. There is some evidence to support this hypothesis. More than 60 percent of states that instituted licence suspensions before PRWORA included business licences, compared to 37 percent of those that passed legislation in 1996 or later.

3.2.2 Lawyers' Licences

Several states, including Arkansas and Minnesota, specifically cite lawyers in their legislation. In Arkansas,

> the state Supreme Court *may* each year furnish the Office of Child Support Enforcement with a list of those persons who possess a law licence and the Office shall notify the Clerk of the Supreme Court regarding a review of the law licence whenever a noncustodial parent on the list is delinquent on a court-ordered child support payment... in an amount equal to six months' obligation or more...[14]

The "may" in the first line of this quotation is related to the constitutional separation of powers. In Minnesota, similar legislation was passed in 1992. The Lawyers Professional Responsibility Board subsequently developed administrative suspensions; as long as there is no "unprofessional" conduct, suspended attorneys will not have a disciplinary record.[15] On the other hand, other states have made failure to pay child support a disciplinary infraction (Johnson, 1996). In Kansas, if the lawyer is found guilty of contempt of court as a result of failure to pay arrearages, "the court may file a complaint with the disciplinary administrator if the licensing agency is the Kansas Supreme Court" (*Kansas Statutes*, section 20-1204a(f)). The child support agency in Indiana is required to issue notice to the "Supreme Court disciplinary commission if the payor is licenced to practice law" (*Indiana Code*, 12-17-2-34).

A substantial proportion of state laws lacked specific references to attorneys. One would expect that they would fall into the generic group of licensees defined in statutes. For example, in Iowa licence is defined as "any licence or renewal of a licence, certification, or registration to a person

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[13] South Dakota Title 25, Domestic Relations; Chapter 24-7A, Collection of Child Support, section 25-7A-56 (note that all occupations are identified as "professional"); *Alaska Statutes*, 25.27.244.

[14] Arkansas Title 16, Practice, Procedure and Courts; Subtitle 2, Courts and Court Officers; Chapter 22, Attorneys at Law; Subchapter 1, General Provisions.

[15] This also appears to be the case in Montana, where section 40-5-709 states that the suspension must be nondisciplinary for professional or occupational licences.

to conduct a trade or business, including but not limited to a licence to practice a profession or occupation or to operate a commercial motor vehicle."[16]

3.2.3 Recreational Licences

The suspension of recreational licences is contentious in some jurisdictions in the United States. Critics point out that hunting and fishing licences are often sold at retail outlets (e.g. bait stores), and there is no centralized record of the persons who are issued with these licences. Lack of automation means that the child support payor can easily replace the suspended hunting or fishing licence. A "question and answer" response on the Web page of the Pennsylvania Fish and Boat Commission (a state agency) criticized the federal government for requesting social security numbers on fishing and hunting licences on the grounds that suspending these licences is not effective in enforcing child support, "unduly inconveniences" the buyers of licences, and raises privacy concerns "with little corresponding benefit" (1999). As far as we are aware, PRWORA did not specify that recreational licences required SSNs.

One way of meeting the federal requirement is to introduce "conditional" legislation, as was done in Ohio. Its legislation permits suspension of recreational licences issued by the Division of Wildlife effective January 1998. If a person is in default of a child support order, the enforcement agency may determine whether the individual holds such a licence (or has applied or is likely to apply for) using the same procedures as for other licence suspensions, if both of the following apply:

(1) The Division of Wildlife has implemented a computer system that maintains licence numbers for licences issued by the Division, the names of persons to whom licences are issued, and the social security numbers of persons to whom licences are issued; and

(2) The Division has established safeguards that eliminate the risk that social security numbers provided to the Division for the purpose of child support enforcement may be used for purposes other than those permitted by federal law.

It is not known at the time of this writing if the Wildlife Division has met these conditions.

A second way of minimizing the administrative problems associated with the federal requirement is found in Nevada, where suspensions do not apply to recreational licences of less than six months duration (*Nevada Revised Statutes* 425.540).

3.2.4 Related Provisions

Other actions taken as part of the licence suspension initiative in the United States were suspension of boat registrations, rules that prohibited students with child support delinquencies from participating in sports and other extracurricular activities, and suspension of student grants. In Maine, contractors for the state government were obliged to be up-to-date in child support

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[16] *Iowa Statutes* Title XV Judicial Branch and Judicial Procedures; Subtitle 1, Domestic Relations; Chapter 598, Dissolution of Marriage, section 598.23A.

payments. Oregon specified that operators of bars and liquor stores must be compliant, although we expect that in other states they would be classified as business owners/operators and hence liable to licence suspension. In Idaho, permits to carry concealed weapons were eligible for suspension for failure to pay child support.

Idaho, Michigan and Pennsylvania laws allowed for licence suspension for violating visitation orders, i.e., when a parent interferes with the visitation rights of the other parent.

3.3 Trigger Points: What Arrearage Is Necessary before Payors are Targeted?

The large majority of statutes have criteria that must be met before any suspension action is taken, usually the number of months in arrears. One exception is Florida, where drivers' and occupational licence suspensions can be initiated for any delinquent child support case, regardless of the amount owed or the months in arrears (Florida Department of Revenue, 1995). In the case of occupational licences, however, the legislation states that the child support agency cannot go to court until it has "exhausted all other available remedies." With the delays inherent in the court process, it is probable that determined child support delinquents would be in substantial arrears before licence suspension is initiated.[17] Kansas also did not define a specified amount of arrears before suspension: the decision is up to the court which may, "in addition to any other remedies," order that a notice be served on the licensing body (*Kansas Statutes*, Section 74-147).

The top panel in Table 2 shows that the threshold for triggering licence suspension procedures ranges from less than one month to 12 months of arrearages, with more than 70 percent of states (N = 37) having established three months or less as the trigger point. One judicial process state mentions "contempt of court" as the trigger, and two other states indicate that less drastic remedies must first have been attempted before licence suspension can be initiated. In the bottom panel, we show that 15 states have legislated dollar amounts in addition to a specified number of months of arrearages. For example, the payor in Indiana must be three months in arrears or owe more than $2,000.

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[17] In Florida, drivers' licence suspension was done by a judicial process for the first 18 months of the program. It took an average of 227 days to suspend a licence under the judicial process and an average of 36 days under the administrative process (U.S. DHHS, OIG, 1997, p. 9).

Table 2: The Amount of Arrearage Triggering Licence Suspensions in the United States

Months in arrears	Number
1 month or less	5
2 months	11
3 months	21
4 months	3
6 months	7
12 months	1
Contempt of court	1
All other remedies attempted	2
Total number of jurisdictions	**51**
Amount in arrears	**Number**
$500	2
$1,000	8
$2,000	2
$2,500	2
$5,000	1
Total number of jurisdictions	**15**

Source: Calculated from United States DHHS, OCSE, 1998, and state legislation.

In Hawaii, different thresholds apply to drivers' and occupational licences. Drivers' and recreational licences can be suspended if the payor is delinquent in an amount equal to or greater than three months of the current amount. Vocational and professional licences, on the other hand, can be suspended only if the payor is delinquent for six months. In Nebraska, professional licences must be suspended before drivers' licences.

No documentation specifies the rationales for targeting the specified number of months or amounts.

3.4 Administrative and Judicial Decision Making and Procedural Safeguards

Under the PRWORA, states have flexibility in implementing licence suspension programs. States have enacted an administrative or judicial process, or a combination of both. The administrative process provides the child support agency with the authority to identify and suspend the licence. The judicial process limits the authorization to suspend a licence to a judge. States that have mixed processes may process welfare and non-welfare cases differently[18] or the CSA may have the discretion of using either administrative or judicial processing. About 43 percent (N = 22) of jurisdictions in the United States have the authority to use administrative procedures, 33 percent (N = 17) are required to use the courts, and the remaining 24 percent

[18] Texas IV-D (welfare) cases are dealt with administratively, whereas other maintenance enforcement cases are dealt with judicially.

(N = 12) have a combination of both processes.[19] Note that if the only involvement of the court is at the Appellate level, we have categorized the state as having an administrative process. "Many states, including Alaska, Georgia, Illinois and Iowa, permit administrative actions on licence suspensions coupled with the opportunity for judicial review" (Myers, 1999).

Maine is an example of a purely administrative process state. The payor is given written notification of the delinquency by personal service and warned that he or she must pay current and past-due support immediately to avoid licence revocation. The payor is given 20 days to respond to the notice and to ask for an administrative hearing. The only issues that can be determined at the hearing are related to compliance, not "the reasonableness of a payment agreement in light of the payor's current circumstances"—although the payor may raise the issue. The payor can appeal the decision of the hearing to the state court, and the court may hear and determine the reasonableness of a payment agreement. If non-compliance is confirmed, the licensing board must notify the payor that the licence is suspended (see Maine Department of Human Services, 1994).

In Oregon, the payor is informed by mail of the licences that can be suspended and is given 30 days to comply by arranging with the CSA to enter into a payment agreement. There are two levels of appeal, an administrative review by a hearings officer and a judicial review. The order for suspension is stayed pending the determination by the hearings officer, but is not stayed pending judicial review.

In Rhode Island, the payor is mailed a notice by the CSA stating that the payor has 30 days to respond, and that the payor may request a family court hearing "to contest the issue of compliance." If no such request is made within 30 days, the CSA then informs the licensing board and the licence is suspended. If the payor requests a court hearing, the CSA may not certify that the licence is to be suspended until the court finds that the payor is not in compliance with the court order of support (*Rhode Island Statutes*, Title 15, Chapter 15-11.1). The issues that can be addressed in the Family Court hearing are not specified (e.g. whether hardship issues can be raised).

An example of a mixed administrative and judicial process state is Florida. This system requires court involvement for occupational but not for drivers' licence suspensions. With regard to occupational licences, the CSA is authorized to screen all applicants for new, renewed and current licences to ensure compliance with child support obligations. If in delinquency, the agency must give 30 days notice for payment or reaching an agreement; originally notice was sent by certified mail, but this provision was subsequently replaced with regular mail, both to reduce costs and because the payor could simply refuse to sign for certified mail. If there is no response, the CSA may petition the court to deny the application or suspend the licence. No petition can be filed with the court until the CSA has exhausted all other remedies. The court may find that it is inappropriate to suspend the licence when:

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[19] Calculated from the table found in U.S. DHHS, OCSE, 1998, state legislation, and from other information received from the states.

- denial or suspension would result in irreparable harm to the payor or his or her employees or would not accomplish the objective of collecting the delinquency; or

- the payor demonstrates that he or she has made an effort in good faith to reach an agreement with the CSA.

Furthermore, the court may not suspend an occupational licence if the court determines that the child support agency has an alternative remedy that is likely to accomplish the objective of collecting the delinquency. Reinstatement of the licence or certificate is to be done when the payor has complied with the court order (see Florida Department of Revenue, 1995, for the statute).

A much more complex process is described by Adamson (1996) on the Texas judicial system. There are a large number of steps to be taken by the state, giving the delinquent payor many opportunities to make repayment plans or lump sum payments. Of interest is that the majority of hearings are held via the telephone, thereby reducing time and travel costs.[20] Due process protections are substantial, including the possibility of two levels of appeal. Adamson notes that every effort is made to avoid formal processing.

In New Jersey, the court must suspend or revoke a licence if all appropriate enforcement methods have been exhausted and no equitable reason (e.g. involuntary unemployment or disability) prevents compliance. When the payor is given 30 days' notice that his or her licence will be suspended and the payor does not respond, the Probation Division files a certification with the court. If the court is satisfied that service was effective, it enters a court order suspending or revoking all licences held by the payor. If the payor requests a court hearing, the hearing is to be scheduled within 45 days of the request.

In a judicial process state, such as Connecticut, payors have 30 days to meet specific conditions (a plan to pay) before the suspension is imposed. The judge or family support magistrate cannot suspend the licence unless the non-compliance with child support obligations was willful and without good cause, the suspension order is fair and equitable, and the payor has sufficient financial resources to comply with the conditions in the suspension order.

These examples of judicial processing indicate that delinquent payors may be able to litigate successfully if they can prove "irreparable harm" (Florida), that the failure to pay is not "willful" (Connecticut), and that he or she has made a "good faith" effort to pay (New Jersey). States that use administrative processing rarely look at hardship issues until the Appellate stage.[21] Not all

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[20] In Montana, state legislation directed that all administrative hearings regarding licence restrictions be attempted by teleconferencing before requiring a personal appearance at the court or agency. Myers (1998a) comments that this approach is very suitable for a jurisdiction with a widely dispersed population.

[21] For example, Indiana licencees may contest the child support agency's decision to revoke the licence, but only on the grounds that there is a mistake of fact (*Indiana Code* 12-17-2-35). On the other hand, in Vermont, an administrative process state, suspensions can be waived for "unreasonable hardship" for business and professional licences (U.S. DHHS, OCSE, 1998).

states that have administrative processes permit appeals to state courts (roughly two-thirds do so). In Kentucky, for example, the statute permits appeal to the licensing board and a "dispute hearing" to be held by the CSA, but the only basis for a dispute hearing is a mistake in fact.

A preliminary assessment of the differential effectiveness of the administrative and judicial processes in eight states undertaken in 1996 found that the administrative process:

- tended to be faster in terms of the time required to suspend the licence;
- resulted in more licences being suspended;
- required fewer resources on the part of the child support agency; and
- resulted in higher collections (U.S. DHHS, OIG, 1997).

These findings are to be expected. Administrative processing by its nature is faster than judicial processing, can involve many more delinquent payors, requires fewer resources, especially if automated, and would result in higher collections if only because of the larger numbers targeted. As discussed in section 3.8 below, the number of licence suspensions may not be the appropriate indicator of success.

3.5 Temporary Licences

Several jurisdictions allow the issuance of a temporary driver's or occupational licence, so that a payment plan may be worked out with the child support agency or the payor can demonstrate good faith in his or her attempts to pay the arrears. These provisions provide a hiatus during which negotiations between the payor and the CSA can be completed.

In California, the probationary occupational licence is for 150 days. In Kansas, the licensing body must issue a six-month temporary licence after being notified of the contempt of court order against the licensee. The temporary licence cannot be extended "except that the licensing body may extend the licence up to 30 days to prevent extreme hardship." After this period, the licensee must obtain a release from the court in order to be reissued with a licence and resume practice in the state (*Kansas Statutes*, 74-47). In Virginia, although there is no temporary licence, the licence holder is given 90 days to surrender the licence. Temporary licence provisions are found in a minority of states.

3.6 Matching Payors to Licence Holders

The United States federal government, as part of the PRWORA initiative, provided funding to state CSAs to improve their information systems. This influx of dollars is to continue until 2001. The system information in this section may be already or will soon be outdated, assuming that states have used financial assistance to improve their ability to communicate electronically with state motor vehicle agencies (MVAs) and other licensing bodies.

Social security numbers are used to match payors with the databases maintained by state MVAs. Although the PRWORA mandates the collection of SSNs on all applications for drivers' and occupational licences, this requirement will take time to be implemented, since existing licences may remain in effect for several years. That is, until all holders of licences and permits are required to renew their licences, complete matching by electronic means is not possible. Notwithstanding this problem, which will be resolved in time, the electronic matching of delinquent payors is more likely to occur for drivers' licences than for occupational and professional licences. Most, if not all, states have automated licensing systems for driving permits. Typically, the child support agency sends a list of delinquent payors who meet the criteria for suspension or denial to the motor vehicle agency, which then suspends the licence. The following are two examples of automated processing for drivers' licences.

- In Massachusetts, the CSA conducts a monthly tape match with the MVA to identify payors due to renew their licences and who owe at least $1,000 and have not made a payment in the previous eight weeks. The MVA sends notices to payors every month asking them to appear at a pre-scheduled administrative hearing to determine whether the MVA should prohibit renewal of their licences (U.S. DHHS, OCSE, 1996).

- Automated licence suspension records allow Maine to target large numbers of licence holders with overdue support payments. The CSA automated system has a licence suspension field for each case file and a separate computer screen to record milestones, such as the date that the case was targeted and the date of the last payment. Reports from the licence suspension field include: the number of eligible cases; the amount overdue; the number of targeted cases (i.e. payors threatened with licence suspension); the amount overdue for targeted cases; the number of paying cases; and the amount collected from paying cases (U.S. DHHS, OIG, 1997, p. 8).

Suspending occupational licences electronically is often more problematic because of the frequent incompatibility of licensing board and CSA computer systems. As well, manual systems may still be used in some licensing agencies.

Most states have mixed automated and manual systems for identifying payors with occupational licences. The Connecticut CSA has on-line and hard copy access to records of professional, occupational and trade licenses for use in identifying delinquent payors. In California, some automatic matching with the State Licence Match System affords access to the files of licensing boards. "The 12 licensing boards that participate in licence suspension periodically target eligible cases based on information compiled monthly from the state's 58 counties" (U.S. DHHS, OIG 1997, p. 10).

States differ in terms of the mechanics of the matching process. In some situations, the child support agency gives licensing agencies the list of delinquent payors, and asks for information on licences held (South Dakota). In other cases, the licensing agency provides the CSA with a list of all licensed persons, and the CSA is then responsible for matching names and SSNs (if available) to its list of delinquents (Rhode Island, South Carolina).

3.7 Reinstatement of the Licence

In states that have a judicial process, licences may be reinstated only after the court is informed that the payor has entered into a plan to repay the child support arrears or has paid the outstanding amount in full. In most states, the licensing agency is obligated to reinstate the licence immediately. Similarly, the child support agency in administrative process states must inform the licensing body that the payor has paid or has agreed to pay by means of a payment plan, and the licence is to be reinstated. In Maryland, for example, before the suspension is withdrawn, the payor must pay the arrears in full, pay the ordered amount for six consecutive months, or the court must issue an order to withdraw the suspension. While this might seem severe, Maryland allows restricted drivers' licences to be issued (i.e. the payor may be able to drive legally during the six months of "good faith" payments).

The licensing authority often charges a fee for the reinstatement of the licence.

3.8 Monitoring and Evaluation: Child Support Payments Received

Publications of the United States Office of Child Support Enforcement emphasize that states have found that the risk of losing a licence is an effective means of bringing a payor into compliance (e.g. U.S. DHHS, OCSE, 1998). The objective of licence suspension programs is to increase voluntary compliance with the payment of child support, not to suspend licences and permits. For example, the procedures manual for occupational suspensions in Oregon (Oregon Department of Justice, 1997) states that:

> The goal of initiating licence suspension is to enter into a payment agreement... and NOT to actually have to suspend the licence. In other words, a payor will be given every opportunity to enter into a written payment agreement, and every effort must be made to avoid actually having to suspend the licence.

A Texas official made a similar point: "If the agency eventually suspends the licence, the remedy has failed in that case" (Adamson, 1999). A Colorado report stated that "ideally, the suspension of the driver's licence should serve as a productive threat" (Pearson et al., 1998). The number of suspensions is not, therefore, the best indicator of program success. Rather, success is determined by the amount of payments received after the delinquent payor has received notification of possible suspension.

Some information sources indicate that the suspension of occupational licences is not always a high priority in state child support agencies. The South Dakota procedures manual, for example, makes very little mention of professional licences, although there are detailed instructions to staff for dealing with driving permits. In Rhode Island, as of January 1999, no targeting of occupational licences has been done even though the licence suspension program has operated for drivers' licences since March 1997 (Rhode Island Division of Taxation, 1999). The state is currently testing the suspension of professional licences. It is apparent that the more

cumbersome, expensive and uncertain[22] judicial process found in roughly one third of the states might explain the relative lack of use of the authority to suspend occupational licences.

The amount of child support recouped by licence suspension warnings is believed to be large. In Florida, in the first 18 months of the program in 1994 and 1995, 5,547 driving and occupational licences were suspended. While the number of targeted cases was not specified, the amount of back child support that was collected in the 18 months was $1.37 million. The publicity for the program noted that "most of the cases were resolved by a payment agreement rather than a suspension of the licence" (Florida Department of Revenue, 1995). In 1999, the Florida Department of Revenue reported that more than 28,500 drivers' licences had been suspended in 1998; no figures on amounts received as a result of the program were provided (Florida Department of Revenue, 1999).

Maine is the "success story" often cited in public relations material. For example, an Idaho press release used the state as an exemplar of the program: "Maine has collected nearly $30 million in back child support payments since 1993, while suspending only 111 drivers' licences and 13 professional licences" (Idaho Department of Health and Welfare, 1996). According to another source, Maine administratively collected about $10 million in overdue child support from 53 percent of the 17,000 targeted cases from July 1993 to March 1994; from July 1993 to March 1996, the state received almost $44 million, yet suspended only 113 licences. The state could not identify the amounts received as a result of threatening to (or actually) suspending occupational licences. An examination of suspended licences found that it took 97 days to suspend 101 drivers' licences, and 116 days to suspend 12 occupational and professional licences, indicating that the administrative process is, indeed, speedy (U.S. DHHS, OIG, 1997, pp. 7-8).

A more recent report from Maine states that between August 1993 and November 1998 more than 18,000 of the 23,000 people targeted paid $97 million. Licence issuing authorities had been notified to revoke 1,700 drivers' licences, and 287 business and professional licences during this period. The report stated that 55 percent of individuals subject to licence revocation "have come into compliance with their child support responsibility" (Maine Department of Human Services, 1998).

California, after targeting 35,000 eligible cases in 1992 to 1995, reported that about one half either paid the overdue child support or agreed to a payment plan. These cases had licences from the 12 boards that participate in the State Licence Match System. However, the state's management information system did not contain information on the amount of payments received as a result of the threat of occupational licence suspension.

In Oregon, 777 delinquent payors with occupational and professional licences were administratively targeted, and the child support agency collected $309,000 from 328 of them

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[22] Uncertain in the sense that the court could refuse to suspend the occupational licence.

between 1994 and 1996. The state took an average of 120 days to suspend 128 occupational and professional licences (U.S. DHHS, OIG, 1997, p. 11).

Myers (1999) cites the following increases in collections because of "aggressive licence restriction programs."

- South Dakota officials negotiated about 4,000 agreements but suspended only seven licences during the first two years of its program.
- In Maryland, 58,000 letters were sent to payors and collected more than $40 million in response.
- Texas collected more than $12.6 million in the first six months of its program.
- A cost-benefit analysis conducted in North Dakota in 1996 attributed a seven percent increase in collections directly to the licence restriction law.

The report by the Office of the Inspector General makes the point that at the time of its audit, only two of the eight states reviewed had information systems that could identify the child support payments made as a result of licence suspension actions.[23] The same report made the following observations about the practices that increased the effectiveness of the suspension programs reviewed:

- targeting eligible cases on a periodic basis instead of when prompted by the custodial parent, when a licence is up for renewal, or based solely on caseworker discretion;
- using specific fields or screens for tracking suspension cases and activity;
- using automated procedures to periodically follow up on targeted cases; and
- using licence suspension when deemed necessary, as opposed to using it as a last resort.

The only rigorous evaluation of licence suspension that could be located concerned drivers' licences in Colorado. This evaluation used random assignment of three groups of non-complying payors:

- group 1, which received neither credit bureau reporting nor drivers' licence suspension notifications (1,700 cases);
- group 2, which received credit bureau treatment only (440); and

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[23] While this situation may have changed since 1996, when the Office of the Inspector General undertook data collection, no documentation mentioned this point. United States Department of Health and Human Services, Office of the Inspector General. *Review of States' License Suspension Processes* (June Gibbs Brown, Inspector General). July 1997. A-01-96-02502.

- group 3, which received both credit bureau and suspension treatments (570).

Most payors in group 3 (about 80 percent) were in the MVA system, that is, they had once been issued a licence. Only about 38 percent had a valid licence immediately before the research; 39 percent had been suspended or revoked; 23 percent had an expired licence. These proportions tend to confirm what commentators have suspected: a substantial percentage of delinquent payors lack a valid driver's licence.

When the effect of the notification of licence suspension on payment of child support was examined, the research found that when group 3 was compared to groups 1 and 2 (no notification or notification of credit bureau reporting only), the payment of arrears was highest among group 3, i.e., cases receiving notification of suspension of their drivers' licences and credit bureau reporting. The researchers estimated that increased collections statewide could amount to $2.4 million annually if all delinquent payors were targeted with the threat of losing their drivers' licences (see Pearson et al., 1998).

In summary, a number of states and the United States Office of Child Support Enforcement have emphasized the large amounts of payments received through their licence suspension programs. Despite the general enthusiasm for this enforcement method, we lack quantitative data on the number and percentage of licencees who are in the "can pay" but "won't pay" group, and the extent to which they would be impelled to make payment arrangements if threatened with the loss of their drivers' or occupational licences. Furthermore, we do not know the extent to which the threat of licence suspension/denial influences overall compliance levels for individuals who are not in default and are financially able to make their regular payments.

3.9 Communications and Public Legal Education

Little evidence was found of public relations or consultative activity with interest groups before the passage of state legislation. This is not to say that negotiations behind the scenes did not occur during the development of state legislation, such as between state legislators and lobbyists for the occupational and other groups being targeted, for example.

Documentation was found on fathers' rights objections to licence restriction laws. For example, in Missouri, a fathers' rights group testified against the bill designed to satisfy the federal mandates in the PRWORA. The group argued that revoking drivers' licences would adversely affect children because parents with arrears would not be able to visit their children or get to work; the amount that triggered suspension was too low ($2,000 in Missouri) and should be raised; and, the bill was unfairly punitive because it did not provide for excusing an arrearage when the parent is disabled or unable to find work (Missouri House Bill 411, 1997).

Multimedia campaigns are the typical means by which the public is informed of licence restrictions. Billboards and public service announcements on radio and television are among the main methods mentioned in the documentation available.

"Warning" or "courtesy" (depending on the state) letters mailed to persons in arrears were the methods by which states informed payors about the licence restriction laws. State enforcement

agencies also frequently use the Internet to inform child support payors of their licence restriction/denial legislation and the consequences.

An example of communications and public education activity can be found in Maryland, when the state introduced drivers' licence suspensions in October 1996. The campaign began well before the introduction of the program with a joint press release by the child support and the motor vehicle agencies, followed by another press release from the governor's office. Notices were mailed to all delinquent payors in the state informing them of the date of the law and suggesting that they pay their arrears. Multimedia advertising included brochures, billboards, posters, transit advertising, and radio and television ads. When the target date for the first licence suspensions grew near, full-page ads were taken out in newspapers and posters were placed in all the stores of a major food chain (Clark and Cullen, 1997).

In the United States, slogans and messages found in news releases tend to focus on drivers' licences.

- The theme of the Maryland advertising was "if you don't want to lose your drivers' licence, pay your child support."

- The August 1995 press release for New York State cited the governor saying "My message to 'dead beat' parents is simple: if you fail to make your child support payments you risk losing your driver's licence."

- In Florida as well, the emphasis was on driving permits: "Pay up or walk!" Like New York State, news releases mentioned "deadbeats." In Florida's publicity, "deadbeats who repeatedly thumb their nose at the system" were cited as the targets. This state, like others, emphasized that "the goal is to collect more dollars for the children, not deny people the opportunity to drive or work" (Florida Department of Revenue, 1995).

- In Idaho, legislation specified that the court may suspend licences of parents who violate visitation orders as well as those who are in arrears. According to the initial press release, the law had two messages: "It is not OK to withhold support because you haven't seen your kids. It also is not acceptable to deny visitation because support has not been paid."

The publicity about licence restriction programs frequently contains anecdotes that illustrate the success of the program, including the names, amounts owing and payments made by the payor after being informed of the possibility of suspension.

Publicity has been identified as critical to encouraging delinquent payors to arrange payment plans. A Rhode Island official noted that the state may not have sufficiently publicized the suspension program before its implementation. If more publicity had been employed, "we may have enticed more payors to come forward to settle their accounts before the suspension process was started" (Rhode Island Division of Taxation, 1999). It is not known whether this observation is accurate, however. Does more intensive publicity increase the likelihood of voluntary compliance? All (or almost all) states require that delinquent payors must be informed by mail of the possibility of suspension and be given an opportunity to make payment

arrangements. If such warnings are not effective, is it likely that public education efforts will have an independent effect on compliance? Perhaps the publicity helps to convince the delinquent payor to comply because he or she is then aware that the threat is a serious one.

3.10 Benefits and Drawbacks of Licence Restriction Programs in the United States

3.10.1 Benefits

Substantial amounts of child support payments are attributed to the introduction of these enforcement methods, as described in Section 3.8. In addition, a sizeable percentage of the cases targeted are self-employed or working in the underground economy. These payors are not reachable by means such as "new hire" reporting and income withholding. In Maine, a computer match between the child support agency and labour agency records found that 71 percent of cases targeted for suspension had no income reported to the Department of Economic Security; some of this group may be self-employed. In Oregon, the Office of the Inspector General found that 29 percent of a sample of delinquent occupational and professional licencees were self-employed (see U.S. DHHS, OIG, 1997.)

Another advantage is that, if automated and administrative, the suspension of drivers' licences may be a relatively low-cost enforcement action. However, in the absence of cost-benefit analyses, we hesitate to conclude with certainty that licence suspensions are a cost-effective addition to the repertoire of actions that can be taken by support enforcement agencies.

3.10.2 Drawbacks and Operational Problems

One of the most important problems encountered is the response from some delinquent payors threatened with licence suspension: they refuse to make payment arrangements and continue to drive or to work. Many suspended drivers drive with relative impunity and one would imagine that this would apply to occupations as well. While some professionals may find that licence suspension definitely limits their work, this almost certainly is not the case for other occupations. How often are trade licences inspected?

A different issue was identified in New Jersey, which has encountered problems in identifying cases that qualify for suspensions, "as a large number of child support payors do not possess professional or drivers' licences" (New Jersey Administrative Office of the Courts, 1996).

Some legislators have expressed concern about the constitutionality of licence suspensions. However, in September 1997, the Alaska Supreme Court upheld the provisions to revoke Alaska drivers' licences for failure to pay child support. Although this decision is not binding elsewhere, it is encouraging to state legislators and child support agencies who have been concerned about possible legal challenges to licence suspension laws (National Conference of State Legislatures, 1998; see also Usher, 1996).

When compared to judicial processing, the administrative suspension of drivers' and occupational licences is faster, requires fewer resources of the child support agency, and may increase collections because large numbers of cases can be targeted at the same time. On the other hand, the payor who is in temporary financial difficulties may be unfairly deprived of a

licence to drive or to work. Even if there are appeal provisions in the legislation that take "hardship" into account, the indigent payor may lack the resources to initiate an appeal.

Perhaps partly for this reason, anecdotal reports mention that the courts are sometimes reluctant to suspend licences[24] (Myers, 1999). Indeed, the law in Louisiana was amended in 1999 to make it more difficult for the courts to refuse to suspend a licence. The amended legislation required courts to either suspend a licence or provide a written reason why the court finds "good cause" not to do so. At the request of judges, the law also provided the courts with a second option with regard to drivers' licence suspensions. The court can suspend the licence during specified times of the day, thereby permitting the payor to maintain his or her employment (Louisiana Department of Social Services, 1999).

Therefore, in some circumstances the licence suspension may be too harsh and incompatible with achieving an objective of many child support agencies, i.e. to increase voluntary compliance in paying child support.

Particularly harsh are automated administrative systems that target delinquent payors regardless of their circumstances. In Colorado, the complete automation of driving suspensions eliminated all discretionary decisions. The system automatically sends the notices, sets review dates, and notifies the MVA of persons who have not complied or responded to the warning letter. State officials reported that:

> the automated system can work against payors genuinely trying to comply... payors may be making payments regularly, but their cases have been flagged as delinquent... because of late payments. Such flagging... sets in motion a process of licence suspension that can cause havoc for an obligor who is mostly in compliance. (Pearson et al., 1998)

Complete automation is probably less expensive than systems requiring human intervention, but automated systems do not discriminate between the "can't pay" and the "won't pay" groups of delinquent child support obligors. Questions of fairness clearly arise if there is automatic targeting of all delinquent payors without consideration of their circumstances.

A number of recreational permits are granted for a limited time, e.g. annually. Depending on the time of year that the payor becomes delinquent, many months may pass before the next fishing or hunting season, consequently suspension of these licences may have little practical effect. Secondly, states often lack automated licensing systems for these permits.

Finally, there is always multiple agency involvement in licence restriction programs. Agreements must be established with each agency or licensing board, many of which require payment for their participation in the program. The establishment of agreements and reimbursement schedules require time and negotiation.

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[24] In addition, some state legislators have been reluctant to pass suspension legislation and encourage its enforcement.

4.0 LICENCE DENIAL AND SUSPENSION PROGRAMS IN CANADA

4.1 Drivers' Licence Restriction in Canada

Eight jurisdictions have drivers' licence denial or suspension programs: Prince Edward Island, Nova Scotia, Ontario, Manitoba, Saskatchewan, Alberta, British Columbia and Yukon. See Appendix B for an overview of the legislation in each jurisdiction. Table 3 shows the highlights of the legislation in summary form.

Table 3: An Overview of Drivers' Licence Suspension and Restriction Legislation in Canada

	Alta.	B.C.	Man.	N.S.	Ont.	P.E.I.	Sask.	Yukon
Notice to payor								
1 notice	x	x	x	x	x	x		x
2 or more notices							x	
Payor can apply for an order to prevent or defer denial					x		x	
Notice to third parties								
Recipient of support			x	x		x	x	
Insurance			x				x	
Employer							x	
Actions								
Revoke (suspend) existing licence			x	x	x	x		x
No renewal of existing licence	x	x	x	x	x	x	x	x
No issuance	x	x	x	x	x	x	x	x
No registration	x		x	x		x	x	x
Conditional licence				x				x
Director can delegate power to initiate proceedings	x	x	x		x		x	x
Duration								
Licence	5 yrs	5 yrs	1 yr	5 yrs	5 yrs		1 yr	3 yrs
Registration	1 yr		1 yr	1 or 2 yrs			1 yr	1 yr

Source: Child Support Team, Department of Justice Canada

Alberta, British Columbia and Saskatchewan do not suspend existing licences, but withhold the licence when a person applies for its renewal or reissuance. In Alberta and British Columbia drivers' licences remain in effect for five years; in Saskatchewan the permit must be renewed annually. The Alberta MLA review of the Maintenance Enforcement Program (MEP) recommended that the MEP be required to give notice of the intention to direct suspension within 30 days of a default, and that the suspension occur within a prescribed period after notice has

been given (Alberta, 1998). The rationale for this recommendation was that it can take up to five years for licence withholding to become effective, little immediate relief is provided to the creditor, and the debtor may have accumulated an overwhelming debt.

The MEPs in P.E.I., Nova Scotia, Ontario, Manitoba and Yukon have the authority to initiate the suspension and revocation of existing licences. However, it appears that licencees are not required to return their suspended licences.

Nova Scotia and Yukon provide for conditional drivers' licences under certain circumstances. In Nova Scotia the conditional licence may be for employment purposes only. In Yukon the situation is similar; the conditions may include restricted hours and places of operation.

Motor vehicle registration is cancelled or revoked in all jurisdictions but British Columbia and Ontario.

The MEP usually gives 30 days notice to the payor. In Yukon, there is a 60-day notice period; if the payor does not contact the MEP in that period, the Motor Vehicle Association is informed. In Saskatchewan a second notice is sent by registered mail if the first notification does not elicit a response from the payor; if the payor evades service, the process can be completed by means of an affidavit of evasion of service. The payor is sent one notice in all jurisdictions except Saskatchewan.

Unlike most jurisdictions in the United States, provincial/territorial legislation does not usually specify the number of months in arrears or the amount owing before the suspension/denial proceedings can begin. There are two exceptions. In Saskatchewan the payor must be in arrears for not less than three months; in British Columbia the payor must owe more than $3,000 and administrative enforcement must have been unsuccessful. In most jurisdictions, suspension/denial may be used at any stage of the delinquency, but in practice is used only when other methods have failed. In all jurisdictions, the decision to initiate the process is discretionary, not automatic. Documentation from several jurisdictions states that licence withholding or suspension is a last resort.

In Alberta, if the payor makes satisfactory arrangements to pay the outstanding amount in installments, the payor is permitted to have annual motor vehicle privileges. If the arrears are paid in their entirety, full motor vehicle services are reinstated.

The recipient of the child support may be informed of the decision to suspend or revoke in Manitoba, Prince Edward Island and Saskatchewan (and in Nova Scotia, if there is a domestic violence flag on the file). Insurance companies are not notified, except in Manitoba and Saskatchewan. Employers are rarely notified, except on occasion in Saskatchewan.

Unlike in the United States, licence restriction is purely administrative in Canada. The decision to withhold or suspend the drivers' licence is made by either enforcement officers, caseworkers or their supervisors or the director of the Maintenance Enforcement Program. The director of the MEP can delegate the power to initiate proceedings in all jurisdictions except Nova Scotia and Prince Edward Island.

Some legislation contains provisions for a review of the decision. A fact sheet from the MEP in British Columbia states that a payor can request a review if he or she was less than $3,000 in arrears at the time the notice was sent, or if the payor believes that the hold on the licence "would significantly reduce his or her ability to pay maintenance." A provision for a refraining order is found in Ontario. Upon receiving notice, the payor can apply to the court, within a variation proceeding, to request an order preventing the Family Responsibility Office from suspending the licence. If no variation proceeding begins within 20 days of the order, the refraining order terminates.[25] However, it can be extended by the court for one additional period of three months. In Saskatchewan, the court, on application, may order the administrator to cancel a suspension if the court is satisfied that a person's health is, or would be, seriously threatened by the suspension.

Four of the eight jurisdictions do not have electronic interface with the MVA information system. Requests for licence suspension are typically sent manually (by facsimile transmission).

As yet, there is no evaluation of drivers' licence restriction in Canada, although research is in the pilot planning stage. Reports from provincial and territorial officials and monitoring systems suggest that many payors make payment arrangements after a notice is sent. In Saskatchewan, for example, there were approximately 2,799 first notices sent in the first 44 months of the program (November 1996 to July 2000). During this time period, 52 percent (1,567) of the first notices required a second (final) notice. From the total number of first notices, 1,183 (42 percent) resulted in a licence denial (Saskatchewan Department of Justice, Maintenance Enforcement Office Statistics, July 2000). No data on the amounts collected were available. In Ontario, a fact sheet prepared by the Family Responsibility Office stated that $3.8 million were collected as a result of the initiative, that 2,833 suspension notices had been sent in 1997, and that 1,034 drivers' licences had been suspended for non-payment of support (Ontario Ministry of the Attorney General, 1998). If one assumes that the $3.8 million was collected from the payors whose licences were not suspended, an average of $2,112 was paid by each delinquent payor.

4.2 Passport and Federal Occupational Licence Revocation

The 1997 amendments to the *Family Orders and Agreements Enforcement Assistance Act* permit the withholding of licences that are under the authority of the federal government, such as passports and licences issued by the federal Department of Transport. These licence denial provisions apply only in cases when the provincial/territorial Maintenance Enforcement Program (MEP) has been unable to obtain the arrears using all other enforcement mechanisms available and when the payor has failed to meet three support payments or the total in arrears is at least $3,000. The provincial/territorial MEP must have informed the person in arrears of its intention to seek licence denial/passport revocation.

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[25] Refraining orders are only in effect for a maximum of six months, with a three-month extension by court order. Accordingly, the payor must complete the variation application within nine months or his/her driver's licence will be suspended.

Since the legislation came into effect in May 1997, 4,174 valid applications sent to the federal government by the MEP's have been processed. Of these, 18 percent (742) have resulted in the suspension of a federal transport licence and/or passport with the remaining 82 percent (3,432) placed on a "control list" which denies issuance should the individual apply for a federal transport licence and/or passport. From the 742, 19 percent (140) of the suspensions were subsequently over-turned and the licences/passports were returned or reinstated. However, as of March 31, 2000, 538 passport suspensions, 40 licence suspensions, and 24 licence/passport suspensions remain intact. From the total number of people placed on the "control list", 5 percent (164) have been taken off the list. People who are taken off the "control list" or who have had their federal licence and/or passport reinstated have typically paid the arrears or made payment arrangement with the MEP (Department of Justice, Family Law Assistance Section).

The method of enforcing these requirements (refusal to return a passport is a summary conviction offence) is not yet completely established. In order to obtain estimates of the workload implications for the RCMP, the Department of Justice Canada entered into a Memorandum of Understanding with the RCMP to conduct a feasibility study of the process. Negotiations will determine how to deal with the complex issue of revoking passports when holders do not voluntarily return them.

5.0 CONCLUSIONS

5.1 Summary

The primary purpose of this report is to provide an overview of the operations of licence restriction programs in the United States, in order to give Canadian policy makers information on the strategies employed in that country. A secondary purpose is to describe the drivers' licence restriction programs currently in operation in Canada.

This method of enforcement began in the United States, where income withholding is the typical method by which support orders are paid. "New hire" programs are now universally available in the United States, providing a means of reaching employed payors. The suspension of occupational and drivers' licences is a method of reaching payors who are self-employed and able to pay child support. Licence restriction programs are targeted towards the "won't pay", not the "can't pay", group of child support payors. Their objective is not to suspend or deny occupational licences, but to increase the payment of overdue child support by means of warnings of suspension. The suspension of drivers' and occupational licences is believed to address this gap in enforcement strategies in the United States.

The federal government in the United States required state programs in 1996, but even before that, about 40 percent of United States jurisdictions had some form of licence denial or suspension program. By late 1999, the large majority of states passed legislation authorizing the suspension of state-issued licences. In most states, drivers' licences and all professional and occupational licences issued by the state are subject to the suspension for non-payment of child support.

Because United States federal legislation gives few guidelines other than that the states must develop restriction programs and collect social security numbers on applications for drivers' and occupational licences, the way in which the programs have been designed and implemented vary enormously across the country. An important difference is the extent to which the courts are involved, i.e., whether a judge has to approve of the licence restriction or whether it can be done administratively. Since the administrative process is more efficient, the Office of Child Support Enforcement in the United States has encouraged states to adopt this approach, and the majority have done so, at least in part. Appeals to state courts are possible in most jurisdictions. Some statutes in states using administrative processing mention that the payor can raise hardship issues at the Appellate stage, but not earlier (e.g. in an administrative hearing).

The amount of arrears that triggers the start of suspension procedures is usually defined in state legislation as the number of months of non-payment. The number of months ranges from one to 12, with about three quarters of the states specifying that three months or less of arrearages can initiate suspension proceedings. Several states specify both the months in arrears and a dollar amount (e.g. the payor is three months in arrears and owes more than $2,000). States with the ability to suspend or restrict licences administratively vary in the extent to which the enforcement action is used. Some use the threat of licence suspension as a last resort, and others use it

routinely. In most but not all states, it appears that there is some discretionary decision making by staff of the child support agency before the process is initiated.

Material prepared by the states and the United States Office of Child Support Enforcement present a positive picture of the child support payments received as a result of threats of suspension. However, few states are able to differentiate between payments received from drivers and persons who have received occupational licence suspension warnings. The information available suggests that most states have concentrated on drivers' licence suspensions rather than on occupational licence suspensions. This may be because automated processing is much more likely to be available for drivers' licences than for occupational licences, because occupational licences are more difficult to suspend, or because very few delinquent child support payors possess an occupational licence. With regard to the last point, no data were found in the documentation that estimated the percentage of payors with occupational licences.

Also pertinent to any examination of the impact of this enforcement action is the cost of implementing a licence suspension program. No information on cost-effectiveness was found in the United States material.

In the United States, the main benefit is that licence suspension targets the self-employed and those working in the underground economy, payors who are not trackable through employment records. The main drawback is that some payors do not take the suspension or revocation seriously, and continue to drive and to work. A different problem is that some payors do not hold any valid licences at all.

With regard to consultative activity with certain interest groups, little evidence was found of such activity in the documents available, other than testimony from fathers' rights groups before state legislative committees reviewing the bills. Of course, it is possible that negotiations between state legislators and lobbyists for occupational groups occurred.

Most of the publicity on the suspension laws emphasized the drivers' licence component. It is not known if public education and communications efforts increased compliance among delinquent payors. However, the publicity—which in some states was extensive—undoubtedly assisted in raising the public profile of child support enforcement.

Eight jurisdictions in Canada have drivers' licence suspension or denial programs; five of the eight have the authority to suspend the licence, whereas the remainder can only withhold the licence upon an application for reissuance or renewal. Two of the five jurisdictions that suspend licences permit restricted licences for employment purposes. Monitoring data and anecdotal reports from the jurisdictions with these mechanisms suggest that the threat of licence denial and suspension have been effective in encouraging payment of outstanding amounts owed for child support. In the majority of Canadian jurisdictions, licence suspension and denial are used as a "last resort" enforcement action.

Canadian passports and federally issued occupational licences can be revoked by the federal government upon request of MEPs. The payor must owe $3,000 or three support payments and all other enforcement strategies must have been attempted.

In summary, licence suspension programs, particularly drivers' licence suspension actions, are very attractive to child support agencies in the United States (and to a lesser extent in Canada) at least in part because of the ease with which suspensions can be automatically invoked. However, no thorough evaluations of the effectiveness of suspension and restriction programs are available. Data on the effects of occupational licence suspensions are notably absent from the documentation reviewed for this report. As mentioned earlier, it may be that few child support payors possess such a licence.

5.2 Policy Implications

The following issues should be addressed by Canadian policy and program personnel who are considering licence suspension programs.

1. What is the target group for this enforcement tool? Is it the "can pay but won't pay" group as in many of the jurisdictions in the United States? Do MEP staff know whether the debtor is in this group? In the United States, licence suspension tends to be a "niche" enforcement action, taken against payors who are self-employed or in the underground economy and who therefore cannot be reached by income/wage withholding.

2. An allied issue is where does the licence suspension fit into the range of enforcement actions that are to be taken by the Maintenance Enforcement Program? Is licence suspension to be utilized as a last resort? Or should it be utilized automatically in all cases of arrears or at the discretion of the MEP?

3. What rights of appeal, if any, should be permitted? Should the licence holder be able to claim exigent circumstances or hardship? Should appeals be administrative or judicial?

4. How much time should the payor be given to pay off the arrears or come to an arrangement satisfactory to the MEP? That is, how many days should there be between the notice of suspension/denial and the decision to suspend or deny? Should two notices be sent as in Saskatchewan?

5. Should legislation specify the amount of arrears (in months or in an amount or both) or should the MEP have complete discretion as to when to initiate suspension proceedings?

6. In all United States jurisdictions and in five of the eight Canadian jurisdictions with this legislation, the MEP has the authority to suspend a driver's licence, not just to deny renewal, issuance or reissuance. We do not know with certainty if the threat of denial is as effective as the threat of suspension. One would expect that in jurisdictions where licences are in effect for five years, the threat of denial would be less effective than in those where the licence must be renewed annually.

7. Is licence suspension a "one-shot" enforcement tool? Although not addressed in the documents reviewed for this report, it seems likely that some child support payors may *repeatedly* be served with a warning that their licences are liable for suspension. That is, some payors may be in arrears, receive the warning, pay the outstanding amount or make arrangements to pay, and then a short time later be in arrears again. Does the MEP then re-start the suspension process? How many debtors are repeatedly warned and then temporarily comply? Is this approach cost-effective?

8. Should the jurisdiction institute conditional drivers' licences for employment purposes? Conditional licences may be particularly desirable if the debtor has a history of going into arrears but has the apparent means to pay (e.g. a regular job).

9. Some estimates of the costs of licence suspension/restriction/denial should be made before legislating this enforcement action. Occupational licence suspension programs may be particularly costly because of the large number of licensing agencies involved and incompatibility of information systems; they may also require a good deal of negotiation with licensing agencies before they can be instituted.

10. It is probable that widespread publicity and public education are desirable before instituting licence restriction. The threat of suspension should be seen as "real" and imminent by those who are in arrears, and public information is one way to encourage that perception. The costs of the public information activities should be incorporated into the cost estimates for both program start-up and ongoing operations.

11. There are a number of unknowns in licence suspension programs, such as:

    - how many debtors have valid drivers' and occupational licences; and
    - how many debtors would respond to the threat of suspension by making arrangements satisfactory to the MEP, and how many are scofflaws who would ignore the threat and continue to drive even when their licence is suspended? How often are suspended drivers identified and charged by police?

12. If a MEP decides to introduce a licence suspension or restriction program, the MEP should ensure that its information system captures all activity related to this enforcement tool:

    - dates of letters sent to debtors;
    - amounts in arrears/months in arrears;
    - the amount collected from the payor;
    - whether the debtor pays the amount in full;
    - whether the debtor makes a satisfactory arrangement to pay the amount owing;

- whether the debtor makes no or an unsatisfactory response to the warning; and
- whether the licence is suspended. The information system should also be able to provide regular reports on these actions. This type of data is essential to monitor the impact of suspension programs.

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APPENDIX A:
STATE LEGISLATION AUTHORIZING LICENCE SUSPENSIONS

The legislation of most states can be accessed at the following Web site:
http://www.legalonline.com/statute2.htm

Alabama: *Code of Alabama,* section 30-3-170 to 179

Alaska: *Alaska Statutes,* 25.27.244

Arkansas: *Arkansas Code Annotated,* section 16-22-102, section 9-14-239

Arizona: *Arizona Statutes,* 25-320.01 (drivers' licences), 25.517-519, 25-522, 32-3710

California: *California Welfare and Institutions Code,* section 11350.6

Colorado: *Colorado Revised Statutes,* 42-2-127.5, 24-34-107

Connecticut: *General Statutes of Connecticut,* section 46b-220 to 223

Delaware: *Delaware Code Unannotated,* Title 13, Chapter 22, section 2216

District of Columbia: *D.C. Code,* section 16-916(3), Title 30-525.1

Florida: *Florida Statutes,* ss. 61.13015 and ss. 409.2598 (for teaching certificates, professional and business licences); ss. 231.097 and 231.28 (teaching certificates); section 455.203 (professional licences); section 559.79 (business licences). Amendments are found in House Bill No. 2031, Chapter 97-170.

Georgia: could not locate (available reference is incorrect)

Hawaii: *Hawaii Statutes,* section 485-15.5; 436(b)-19.5 (Senate Bill 1266, S.D.2, H.D.2, C.D.1, Act 293 in 1997)

Idaho: *Idaho Code,* 7-1401 to 7-1417

Illinois: *Illinois Compiled Statutes Annotated,* section 305 5/10-17.6; section 100/10-65

Indiana: *Indiana Code,* 12-17-2-34, 25-1-1.2

Iowa: *Iowa Code,* section 252J.1 to 252J.9

Kansas: *Kansas Statutes,* 74-146, 74-147, 20-1204a

Kentucky: *Kentucky Revised Statutes,* 205.712, s. 9 to 13

Louisiana: *Louisiana Statutes Annotated,* R.S. 9:315.30-.35, 32:432, 37:2952, 56:647. HB1189 passed in 1999 amended existing laws for occupational/drivers' licence suspensions.

Maine: *Maine Revised Statutes Annotated,* 19-A, section 2201

Maryland: *Maryland Family Law,* Article 10-101 (contains definitions only; could not locate full text of statute)

Massachusetts: *Massachusetts Annotated Laws,* 119A, section 16

Michigan: *Michigan Public Acts,* 235 to 240 of 1996

Minnesota: *Minnesota Statutes Annotated,* 214.101; 518.551 (drivers licences). Amendments in 1997 are found in H.F. No. 1016.

Missouri: *Revised Statutes of Missouri 1997,* 454.1000-1029

Mississippi: Mississippi Senate Bill 2070 (1996), Statute 93-11-151 (could not be confirmed)

Montana: *Montana Code Annotated,* 40-5-701

Nebraska: *Nebraska Revised Statutes,* 43-3301 to 43-3326

Nevada: *Nevada Revised Statutes,* section 425.395-397, 425.510-560

New Hampshire: *New Hampshire Revised Statutes,* 161-B:11

New Jersey: *New Jersey Statutes,* 2A:17-56.41-51

New Mexico: *New Mexico Statutes Annotated,* 40-5A-10, 60-3A-7

New York: *New York Social Services Law,* section 111-b subd. 12, 111-h; *Family Court Act,* section 439,454,458-a, 458-b; *Domestic Relations Laws,* section 244-b, 244-c; CS Program Bill, S. 5771 (could not be confirmed)

North Carolina: *North Carolina General Statutes,* 50-13.12, 93B-13

North Dakota: *North Dakota Century Code,* Chapter 14-08.1-06

Ohio: *Ohio Revised Code,* Sections 2301.373-374

Oklahoma: *Oklahoma Statutes Annotated* 56, section 240.15

Oregon: *Oregon Revised Statutes,* 25.750-.783

Pennsylvania: *Pennsylvania Consolidated Statutes Annotated,* 23, section 4355

Rhode Island: *Rhode Island General Law,* sections 15-11.1-.7

South Carolina: *South Carolina Code Annotated,* section 20-7-940

South Dakota: *South Dakota Consolidated Laws,* 25-7A-56

Tennessee: *Tennessee Statutes,* 36-5-101 and 701

Texas: *Texas Family Code,* Chapter 232

Utah: *Utah Code Annotated,* 62A-11-107

Vermont: *Vermont Statutes Annotated,* 15 s 795

Virginia: *Code of Virginia,* s 63.1 - 263.1

Washington: *Revised Code of Washington,* 74.20A.320

West Virginia: *Code of West Virginia,* Chapter 48-A, Article 5-A

Wisconsin: *Wisconsin Act 191* (became law in 1998)

Wyoming: *Wyoming Statutes,* 20-6-112

APPENDIX B:
A SUMMARY OF PROVINCIAL AND TERRITORIAL LICENCE RESTRICTION LEGISLATION

The source of this information is the Child Support Team, Department of Justice Canada.

ALBERTA
MAINTENANCE ENFORCEMENT ACT, C.M-05, IN EFFECT JULY 1, 1994

Default trigger	The Director of the Maintenance Enforcement Program (MEP) may notify the registrar of motor vehicles as soon as default exists (section 16.1(2)).
Process: notices, time frames	When the support order is first registered with the MEP, all support payors are sent a letter explaining all the enforcement actions available. It is the general practice, when an account is in arrears and the residential address of the payor is known, to send a warning letter advising that motor vehicle services will be withheld unless satisfactory payment arrangements are made. If there is no response within 30 days, all motor vehicle services are withheld.
Notices to third parties	None
Actions	Denial of all services by the registrar of motor vehicles: no renewal, no issuance, no registration of vehicle, etc. All services relating to motor vehicle administration are denied, including abstract of records (e.g., accident reports), transfer and registration. The system does not "cancel" the existing licence. However, a replacement licence will be withheld if the original is lost or stolen.
Insurance and registration implications	Insurance is unaffected. Registration of vehicles is withheld.
Duration of licence and registration	Licence: five years Registration: one year
System interface	The MEP system is electronically connected to the motor vehicle system, which is connected to all the privately operated motor vehicle registry offices in Alberta, so that the MEP can withhold or reinstate motor vehicles immediately.
Delegation of power by Director	Managers and supervisors have the authority.
Comments	If the debtor makes satisfactory payment arrangements, the debtor is allowed access to motor vehicle privileges on an annual basis, in order to permit the MEP to monitor payments. If all arrears are paid, full motor services are reinstated. The MLA Review of Child Support Enforcement recommended, and the government of Alberta has accepted, amending the provisions to allow for a full suspension of drivers' licences upon default.

BRITISH COLUMBIA
FAMILY MAINTENANCE ENFORCEMENT ACT, C.127, IN EFFECT NOVEMBER 1, 1998

Default trigger	The enforcement action will be taken, in practice, when administrative enforcement does not work and if the payor does not pay the arrears or contact the Family Maintenance Enforcement Program (FMEP) to work out a plan, and the payor owes more than $3,000.
Process: notices, time frames	Section 29.1 states: (1) notice to debtor action will be taken after 30 days if no compliance; (2) notice to go to the Insurance Corporation of British Columbia (ICBC) of default; (3) on receipt of notice, ICBC must not issue or renew the driver's licence until advised by the Director of Maintenance Enforcement. A letter is sent by regular mail. If the payor does not respond, the MEP faxes the instruction to hold the driver's licence to ICBC, which confirms by fax.
Notices to third parties	None
Actions	The effect of the denial is to (a) refuse to issue a first-time licence and (b) to refuse to renew an existing licence until notified by the Director. The implementation of (a) was to be reviewed early in 1999; the implementation of (b) began November 1, 1998.
Insurance and registration implications	There is no effect on registration and insurance, which is attached to the vehicle, not the driver, but insurance is affected if the vehicle is in an accident and the driver has no valid licence.
Duration of licence and registration	Licence: five years
System interface	All via fax.
Delegation of power by Director	
Other	Section 29.2 states that the Director must direct ICBC to disregard the notice if the debtor satisfies the Director that (a) denial is based on a material error; (b) lack of a driver's licence will significantly reduce the debtor's ability to pay the order; or (c) the debtor has entered into payment arrangements satisfactory to the FMEP.

MANITOBA
FAMILY MAINTENANCE ACT, CF20, IN EFFECT DECEMBER 31, 1995

Default trigger	Immediate upon default, but the decision is based greatly on the payment history. If the payor has been complying for a long time but is in temporary difficulty, for example, other arrangements may be made.
Process: notices, time frames	Section 59.1 (2) notice to debtor of possible action under section 273.1 of the *Highway Traffic Act* without further notice. (3) debtor has 30 days to (a) propose a reasonable plan for payment or (b) request a hearing before a judge or master to determine payment of arrears. (5) notice to the registrar if non-compliance: (a) debtor did not respond within 30 days; (b) debtor did not propose a plan considered reasonable or request a hearing; (c) debtor failed to appear at hearing; (d) debtor defaulted in payment of the plan. A letter may be personally served or sent by registered mail to the debtor. If a plan was negotiated and not complied with, a second notice gives two weeks for compliance, unless the plan was complied with for 12 months before the default, in which case the process starts at the beginning with the 30 days notice.
Notices to third parties	Recipient: has access to the information Insurance: notified Employer: not notified
Actions	Revokes existing licence, no renewal, no issuance and no registration of vehicle. If, after the first notice, no arrangements are made, the MEP sends the necessary forms and court documents to the *Motor Vehicle Act* (MVA), which contacts the debtor by form letter to inform of the licence denial. The legislation cancels the existing licence, but does not ask for its return. The licence renewal is denied. Licences are renewed annually on the driver's birthday, but the licence is printed six to eight weeks ahead of time. If printed, it will be sent to the debtor. Therefore, the timing of the suspension process is important. On the other hand, the system also includes denial of registration, which is also annual, but is done four months after the driver's birthday. It is therefore possible to catch debtors who may have slipped through at the driver's licence stage of the process. There is no appeal process at the MVA.
Insurance and registration implications	Registration: revoked The pro rata of the unused fee is refunded if the registration is cancelled/revoked. The MEP is looking at the possibility of garnisheeing this money. Insurance: notified
Duration of licence and registration	Licence: one year, renewal on birthday Registration: one year
System interface	Manual system because of incompatibility between the computer systems of the MEP and the MVA. MEP has on-line access to drivers' licence numbers and other information required to complete the forms.

MANITOBA (cont'd)
FAMILY MAINTENANCE ACT, CF20, IN EFFECT DECEMBER 31, 1995

Delegation of power by Director	Support caseworkers
Comments	No conditional licences. Names of suspended drivers may be provided to the police. The vast majority of debtors make arrangements after the first notice is sent. Only a very small percentage results in actual licence denial.

NOVA SCOTIA
MAINTENANCE ENFORCEMENT ACT, 1994-94, C.6, S.1, IN EFFECT JANUARY 1, 1996

Default trigger	Immediate upon default. On the enforcement continuum, a driving privilege revocation is at the higher end of enforcement actions.
Process: notices, time frames	Section 30 states (1) notice to payor if no satisfactory arrangement for payment made within 21 days (N.S. Reg. 40/96, s. 6) any driver's licence, right to operate a motor vehicle or any other licence, registration of vehicle or permit issued to payor pursuant to the *Motor Vehicle Act* will be suspended or revoked (2) if no arrangement is made the registrar is notified. The registry of motor vehicles then sends a letter to the payor.
Notices to third parties	Recipient: if a domestic violence flag on the file, the recipient is sent a letter to inform him or her of the action. Insurance: not notified Employer: not notified
Actions	The existing licence is revoked, also no renewal, no issuance, no registration of a vehicle. Other licences or permits under MVA are revoked, not issued or not renewed. The existing licence is cancelled because it is renewable only every five years (return of the licence is not requested), and all further services are denied.
Insurance and registration implications	Insurance: not affected Registration: revoked
Duration of licence and registration	Licence: five years Registration: two years for passenger vehicle, truck, handicapped; one year for motorcycle, off highway vehicle, trailers, personal plates.
System interface	Actual request to suspend/revoke is done in hard copy; the information from the Registry of Motor Vehicles is electronic.
Delegation of power by Director	Director has signing power after the officer makes the initial decision, which must then be approved by the supervisor and then by the Director.
Comments	Section 30 (3): a conditional licence is possible for employment purposes only.

ONTARIO
FAMILY RESPONSIBILITY AND SUPPORT ARREARS ENFORCEMENT ACT, 1996, C.31, IN EFFECT SEPTEMBER 29, 1997

Default trigger	Immediately upon default. Usually, this measure is commenced only after less aggressive enforcement methods have been unsuccessful.
Process: notices, time frames	Section 34 states that the first notice to go to the payor of the driver's licence suspension unless within 30 days: (a) payor makes satisfactory arrangements with the Director for the ongoing support obligation and arrears; (b) payor obtains, in a variation proceeding, an order to refrain the Director from suspending the driver's licence, under s. 35(1) and files the order in the Family Responsibility Office; or (c) payor pays all arrears. s.36(2) Upon payor breaching payment arrangement, Refraining Order, or varied Order made subsequent to Refraining Order, within 24 months of same, Director can serve Second Notice on payor of driver's licence suspension unless within 15 days: (a) payor brings payment arrangement, Refraining Order or subsequent varied Order into compliance, or (b) payor pays all arrears. s.37 Director may direct the Registrar of Motor Vehicles to suspend a driver's licence if none of the options set out in sections 34 or 36 are exercised by payor to prevent suspension. s.38 Director shall direct Registrar to reinstate driver's licence if: a) payor pays all arrears; (b) payor brings payment arrangement into compliance; (c) payor complies with support order and any orders under ss.35 or 41; (d) payor enters into payment arrangement with the Director for complying with the support order; or (e) support order is withdrawn from enforcement by the Family Responsibility Office under s.16. s.35 Only one Refraining Order can be granted in respect of a First Notice, and it must be obtained within 30-day time limit set out in First Notice. A Refraining Order terminates when the variation proceeding is determined, the Support Order is withdrawn from enforcement, or six months from the day it is made, whichever occurs first. s.35 A motion for a Refraining Order is to be made within a variation proceeding, but can be brought before the commencement of the variation upon undertaking to commence the proceeding forthwith. If no variation proceeding is commenced within 20 days of the Refraining Order, the Refraining Order automatically terminates. s.35 Before the Refraining Order terminates, it can be extended by the Court for one further period of three months. s.38(2) If the Director directs reinstatement of the driver's licence and payor again fails to comply with the payment arrangement, Refraining Order or subsequent varied Order within 24 months, the Director may proceed to act in accordance with the last notice sent to the payor.

ONTARIO (cont'd)
FAMILY RESPONSIBILITY AND SUPPORT ARREARS ENFORCEMENT ACT, 1996, C.31, IN EFFECT SEPTEMBER 29, 1997

Notices to third parties	None
Actions	Revoke existing licences, no renewal, and no issuance. The actual licence is revoked, but the payor is not requested to return the licence.
Insurance and registration implications	Insurance: none Registration: none
Duration of licence and registration	Licence: five years
System interface	All is done electronically.
Delegation of power by Director	The authority to initiate the first notice is delegated to enforcement officers (s. 3).
Comments	Section 35: when determining a variation proceeding subsequent to the making of a Refraining Order, the court may make an order respecting payment of arrears and may include provision for the imprisonment of the payor for a maximum of 90 days upon default of payment.

PRINCE EDWARD ISLAND
MAINTENANCE ENFORCEMENT ACT, C.M-1 AM 1996, C.27, S. 3

Default trigger	In the legislation, immediately upon default. In practice, the action is taken as a final resort.
Process: notices, time frames	There is one notice, by registered mail, to make arrangements within the time specified by the Director: 10 days (s. 12.1).
Notices to third parties	Recipient: only if the recipient requests the information Insurance: not notified Employer: not notified
Actions	s.12.1(2) Suspend or revoke existing licence, registration, privilege of obtaining a licence, the right to operate a vehicle in the province or any other licence, registration of vehicle or any permit issued under *Highway Traffic Act*. s.12.1(3) no renewal. No request for return of actual licence.
Insurance and registration implications	Insurance: no Registration: suspended/revoked
Duration of licence and registration	
System interface	Done by fax, but the MEP plans to go to an automated system.
Delegation of power by Director	None, Director retains the power.

SASKATCHEWAN
ENFORCEMENT OF MAINTENANCE ORDERS ACT, E-9, 21, IN EFFECT DECEMBER 1996

Default trigger	Failure to pay for not less than three months. Case officer makes the decision to initiate the process; in most cases, the action is a last resort.
Process: notices, time frames	s.31.7 Director may direct the administrator to suspend a respondent's licence when (a) payor in arrears for at least three months, (b) the Director is of the opinion that all reasonable steps to enforce the order have been taken, (c) notice was served of the intention to suspend licence, and (d) no arrangements were made within 15 or 30 days (depending on the service process) by the payor. 31.8(2) When the Director directs the administrator to suspend a respondent's licence, the administrator shall immediately suspend that licence and the respondent's ability to secure a licence until notification by the Director that the suspension may be cancelled. The first notice is sent by regular mail. The payor has 30 days to contact the MEP and arrange for payment. If the payor does not make contact, a second notice is sent by personal service or registered mail that gives a final 15 days to make arrangements. The sending of the second notice must be approved by two supervisors. If the payor is evading service, process can be completed without it (affidavit of evasion of service).
Notices to third parties	Recipient: notified by regular mail Insurance: public insurance scheme notified Employer: in some cases, if it is known the licence is used for work (taxi drivers, truck drivers, real estate agents).
Actions	No renewal, no issuance, no registration or insurance of vehicle. After all time limits have expired, the MEP notifies SGI (Saskatchewan Government Insurance) to not issue a new licence or not renew a licence. The registration and insurance are also denied. The timing is important because if it is not done before the licence is sent out, the MEP must wait for the next renewal.
Insurance and registration implications	Registration: no renewal, issuance, etc. Insurance: cancelled (SGI is responsible for registration, licence denial, and insurance).
Duration of licence and registration	Licence: one year Registration: one year
System interface	Manually, by fax
Delegation of power by Director	Case officer for the first notice. Two supervisors must approve the sending of the second notice.
Comments	s. 31.9 The court, on application, may order the administrator to cancel a suspension if satisfied that a person's health is or would be seriously threatened by the suspension. As of September 1998: 1,433 first notices sent; 742 second notices. 536 licences denied. No information on reinstatements.

YUKON
MAINTENANCE AND CUSTODY ORDERS ENFORCEMENT ACT, C. 108, IN EFFECT OCTOBER 1, 1995

Default trigger	Immediately upon default, but in practice the action is a last resort.
Process: notices, time frames	s. 14.1 states that notice to comply or make arrangements within 60 days or any operator's licence, certificate of registration or permit under the *Motor Vehicle Act* may be suspended or cancelled not issued or not renewed. Only one notice is sent by certified mail to make arrangements within 60 days. If no contact, the Motor Vehicle Department is informed.
Notices to third parties	Recipient: if requested Insurance: not notified Employer: not notified
Actions	Existing licence is suspended, no renewal, no issuance, and no registration of vehicle. The Motor Vehicle Department notifies the debtor that the licence and registration have been cancelled and that no further licence or registration will be issued until the Director of the MEP notifies the department.
Insurance and registration implications	Insurance: none Registration: cancelled
Duration of licence and registration	
System interface	Manually, by fax.
Delegation of power by Director	Director has reserved power.
Comments	s. 14.1(3) If the Director is satisfied that the respondent requires an operator's licence for employment purposes, the Director may ask the registrar to issue a conditional licence which may have restricted hours of operation.